

NR 969015

By ST/PSW Date 5/11/78

Department of State

FN 14 AFG  
XR SOC 10 AFG

TELEGRAM

XR POL 15 AFG



~~CONFIDENTIAL~~ 098

PAGE 01 KABUL 06169 051428Z

44  
ACTION NEA-11

INFO OCT-01 RSR-01 TRSE-00 AID-20 CIAE-00 COM-08 E-11  
FRB-02 INR-06 NSAE-00 RSC-01 XMB-06 OPIC-12 TRSY-11  
CIEP-01 LAB-06 SIL-01 SAL-02 OMB-01 NSC-10 SS-14  
STR-08 L-03 AGR-20 EUR-14 H-02 IGA-02 /174 W  
055643

R 041150Z OCT 71  
FM AMEMBASSY KABUL  
TO SECSTATE WASHDC 6462

~~CONFIDENTIAL~~ KABUL 6169

SUBJ: DEBT RESCHEDULING - DISCUSSION WITH PRIMIN ZAHIR

REF: KABUL 5881 - FN 14 AFG

SUMMARY: I SAW PRIMIN SEPT. 30 AND HE EXPRESSED GREAT AND SINCERE APPRECIATION FOR WHEAT GRANT, WHICH, HE SAID, WOULD BE SIGNIFICANT FACTOR IN STRENGTHENING GOVERNMENT'S HAND WITH PARLIAMENT. ON DEBT RESCHEDULING I POINTED OUT NO CREDITOR WANTS CARRY UNEQUAL BURDEN AND ALL CREDITORS WOULD EXPECT RGA DO EVERYTHING IT COULD TO IMPROVE OWN FISCAL POSITION. I ALSO URGED MULTILATERAL APPROACH CENTERED UPON IBRD/IMF AND POINTED OUT SPECIAL IMPORTANCE ALL OTHER CREDITORS WOULD ATTACH TO SOVIET RESPONSE. PRIMIN AGREED THAT INCREASED SOVIET AID FOR FOURTH AFGHAN FIVE-YEAR PLAN WOULD NOT RPT NOT BE SUIT- [able. In con-?]  
CLUSION I URGED PRIMIN NOT TO ENDANGER RGA'S GOOD INTERNATIONAL REPUTATION ON DEBT PAYMENTS SINCE CREDIT STANDING REPRESENTS IMPORTANT NATIONAL ASSET. END SUMMARY.

2. PRIMIN RECEIVED ME SEPT. 30 FOR DISCUSSION DEBT RESCHEDULING AND OTHER SUBJECTS WHICH REPORTED SEPARATELY.

3. PRIMIN BEGAN CONVERSATION WITH OBVIOUSLY SINCERE EXPRESSION OF THANKS FOR USG ACTION ON GRANT WHEAT. HE SAID ACTION HAD ALREADY HAD SALUTORY EFFECT ON HIS GOVERNMENT'S RELATIONSHIP WITH PARLIAMENT. RGA HAS PROMISED PARLIAMENT IT WOULD CONCEN-

~~CONFIDENTIAL~~

DECLASSIFIED

PA/HO, Department of State  
E.O. 12958, as amended  
June 9, 2005

NN 0.969015

By ST/WSW Date 3/11/78



Department of State

TELEGRAM

REPRODUCED AT THE NATIONAL ARCHIVES

~~CONFIDENTIAL~~

PAGE 02 KABUL 06169 051428Z

TRATE ON GETTING WHEAT. CONSEQUENTLY, TIMING USG ACTION WAS MOST GRATIFYING. GOVERNMENT IN EFFECT HAD PROVED TO PARLIAMENT THAT IT COULD PRODUCE. I INTERJECTED THAT USG COULD NOT RPT NOT HAVE BEEN SO HELPFUL WITHOUT SPEEDY ACTION ON PART RGA, AND HOPED PARLIAMENT REALLY UNDERSTOOD EFFECTIVE ROLE PLAYED BY PRIMIN AND HIS GOVERNMENT.

4. PRIMIN CONTINUED SAYING HE HAD BEEN AGHAST AT DEPLORABLE RELATIONS WHICH HAD EXISTED BETWEEN PREVIOUS GOVERNMENT AND PARLIAMENT. NOW, RPT NOW, THINGS WERE MUCH IMPROVED EVEN THOUGH GOVERNMENT HAS TO BE NEGATIVE ON MANY PET PROJECTS OF INDIVIDUAL DEPUTIES.

5. I NOTED HE FULLY AWARE OUR GENERAL POLICY TOWARD AFGHANISTAN OF RESPECT FOR AFGHAN NON-ALIGNMENT. OUR ACTION ON WHEAT EXEMPLIFIED THIS POLICY WHICH ROOTED IN OUR DESIRE HELP AFGHANISTAN REMAIN FREE AND INDEPENDENT. IT DID NOT SEEK ENHANCE OR CREATE ANY SPECIAL ROLE FOR US NOR DIMINISH ROLE OF OTHERS.

6. ON SUBJECT DEBT RESCHEDULING, I SAID THERE WERE THREE PRINCIPAL CONSIDERATIONS IN SUCH EXERCISES: (A) EACH CREDITOR DETERMINED NOT TO CARRY GREATER BURDEN THAN ANY OTHER CREDITOR; (B) EACH CREDITOR WANTS KNOW WHAT EVERY OTHER CREDITOR LIKELY DO; AND (C) EACH CREDITOR WISHES MAKE CERTAIN THAT RGA WILL DO EVERYTHING IT CAN TO IMPROVE ITS OWN FISCAL SITUATION LAST FOREIGN COUNTRIES BE ASKED CARRY DISPROPORTIONATE PORTION OF BURDEN.

7. EMPHASIZING I WAS TALKING AS FRIEND AND ADVISOR RATHER THAN AS AMBASSADOR, I SAID I BELIVED THAT RGA SHOULD (A) ADOPT MULTI-LATERAL RATHER THAN BILATERAL APPROACH; (B) USE HELP OF IBRD AND IMF, WHO HAVE GREATEST EXPERIENCE IN THESE MATTERS, TO MAXIMUM EXTENT POSSIBLE; (C) MAKE SURE PRINCIPAL AFGHAN NEGOTIATORS FULLY INFORMED ON ACTIONS AND INTENTIONS OF ALL CREDITORS; (D) PROVIDE SAME FULL INFORMATION TO ALL CREDITOR NATIONS; (E) GIVE URGENT CONSIDERATION TO ALL MEASURES IN EXECUTIVE AND LEGISLATIVE AREAS WHICH WILL IMPROVE FISCAL POSITION OF AFGHANISTAN; AND (F) BE CAREFUL NOT ENDANGER ITS FUTURE CREDIT UNDOLY BY BRINGING TOO MUCH PRESSURE TO BEAR NOW ON CREDITORS AND IMF.

8. I SAID SOVIET ATTITUDE WAS ESPECIALLY IMPORTANT, AND THEIR

~~CONFIDENTIAL~~

DECLASSIFIED  
PA/HO, Department of State  
E.O. 12958, as amended  
June 9, 2005

DECLASSIFIED

E.O. 12958, Sec. 3.4

By 57713W Date 5/11/78

Department of State

TELEGRAM



~~CONFIDENTIAL~~

PAGE 03 KABUL 06169 051428Z

RESPONSE WILL HAVE GREAT BEARING ON ULTIMATE SOLUTION. PRIMIN SAID, AS SHAFIQ HAD EARLIER STATED (SEE KABUL 6010), THAT SOVIET ATTITUDE APPEARS BE THAT REQUESTS ARE NEGOTIABLE. PRIMIN ADDED THAT EXPERTS OF BOTH SIDES ARE NOW AT WORK. I TOLD HIM THAT TWO THINGS, BESIDES FULL DISCLOSURE, WERE IMPORTANT WITH REGARD SOVIET DECISION: (A) USSR SHOULD BE AS FORTHCOMING AS POSSIBLE; AND (B) NOT ONLY AMOUNT BUT ALSO NATURE OF SOVIET ASSISTANCE WOULD AFFECT OTHER NATIONS' ASSESSMENTS. I.B. A POSSIBLE SOVIET OFFER OF ADDITIONAL CREDITS FOR THE FOURTH AFGHAN FIVE-YEAR PLAN WOULD NOT BE VERY USEFUL SINCE IT WOULD NOT GIVE IMMEDIATE DEBT PAYMENTS RELIEF AND WOULD IN FACT RESULT IN INCREASED FUTURE DEBT SERVICING BURDEN.

9. PRIMIN SAID RGA FULLY AWARE LATTER POINT AND HAD ALREADY TAKEN STEPS TO SEPARATE SOVIET RESPONSE TO DEBT RESCHEDULING REQUEST FROM ASSISTANCE TO FIVE YEAR PLAN. PRIMIN ADDED, "SOVIETS HAVE A LOT TO LEARN--THEY THOUGHT FERTILIZER PLANT THEY HELPING US BUILD ALREADY IN PRODUCTION."

10. IN CONCLUSION I AGAIN URGED PRIMIN BEAR IN MIND CURRENT GOOD AFGHAN WORLD RECORD OF PAYMENT AND FACT THAT ITS CREDIT REPRESENTS IMPORTANT NATIONAL ASSET. THESE PLUSES SHOULD NOT BE ERODED.

GP-4

NEUMANN

~~CONFIDENTIAL~~

DECLASSIFIED

PA/HO, Department of State

E.O. 12958, as amended

June 9, 2005

REPRODUCED AT THE NATIONAL ARCHIVES